RED EMPEROR
RESOURCES NL

29 October 2010

Manager of Company Announcements
Australian Securities Exchange
Level 6, 20 Bridge Street
Sydney NSW 2000

By E-Lodgement

QUARTERLY REPORT
Period Ended 30 September 2010

SEPTEMBER 2010 QUARTER – HIGHLIGHTS

- Capital raising successfully completed raising $2.8 million.

- Acquisition of interest in onshore petroleum projects in Dharoor Valley and Nugaal Valley of Puntland, Somalia (**Puntland Projects**).

- Appointment of Greg Bandy as Managing Director.

PUNTLAND PROJECTS

During the quarter the Company entered into formal transaction agreements including a farmout agreement. Subsequently the Company has exercised its option to increase its interest to 20% in each of the Puntland Projects subject to the satisfaction of certain conditions.

The Company's Joint Venture Partner and operator in Puntland, Africa Oil Corp ("Africa Oil" TSX: AOC), has recently announced that the spudding of the first well in Dharoor is now not likely until mid 2011. Whist obviously disappointing to the Company, Africa Oil have met with the Puntland Government to secure an extension to the PSA (expected to be finalised shortly) and are currently evaluating second tier drilling contractors with an aim to secure a more cost effective drilling for the first well. Updates on the awarding of the drilling contract and extension of the PSA's will be made when available.

JILLEWARRA PROJECT

The Company commenced a geochemistry program in conjunction with a drilling program after interpretation of prior exploration activities including geochemistry and soil sampling has identified drill targets to test the gossan and the margins of the ultramafic unit.

Field reconnaissance by Cazaly Resources Limited ("Cazaly", ASX Code:CAZ) highlighted the prospectivity of the ultramafic–basalt horizon between Rafters Run and Hewitt's Find. The prospective contact zone strikes for over 6km within the Project Area but has received limited drill testing. Exploration in the Rafters Run area has previously focused on nickel and the IP anomalies require further investigation, however the potential for copper – gold mineralisation has not been evaluated.

Mullock samples were previously collected from a small prospecting shaft (Rafters Run prospect) and returned significant results (up to 10.8% Cu). The mineralisation was hosted in a sheared ultramafics unit at the interpreted contact within a basalt unit.

The current geochemical program will target amenable areas along the mineralisation trends already identified, involving the collection of approximately 950 samples.

In conjunction with Cazaly, the Company has scheduled 1,000 metres of RC drilling, covering 14 drillholes. The prospective ultramafic–basalt contact zone strikes for over 6km within the Project Area and has received limited historical drill testing.

The proposed geochemical program, combined with the proposed 1,000m of RC drilling, provides an excellent opportunity to explore a large portion of the tenements in areas that have already provided indications of mineralisation. The Company has recently received heritage and environmental approvals for such programs.

RUSSIAN PROJECTS

The Company and its Russian Partners continue to source and review additional and alternative resource projects, including mineral resources, for attractive opportunities to add shareholder value. The Company is currently reviewing several prospective projects. The Company will continue to update the market on progress with these exploration projects.

CORPORATE

During the quarter the Company completed a capital raising by way of a placement to raise $2.8 million (**Placement**). Following completion of the Placement, the Company appointed Greg Bandy as Managing Director. Consequently Mr Kent Hunter stepped down as Managing Director and continues to act as a Non-Executive Director of the Company. Mr Terry Gardiner resigned as a Non-Executive Director of the Company. The Company also appointed Ms Shannon Caporn as Company Secretary following the resignation of Ms Elizabeth Hanrahan.

The Company changed its registered office and principal place of business to 945 Wellington Street, West Perth, Western Australia.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

RED EMPEROR RESOURCES NL

ABN	Quarter ended ("current quarter")
99 124 734 961	30 SEPTEMBER 2010

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(7)	(7)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(460)	(460)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	8	8
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes paid	-	-
1.7	Other Receipts (refunds)	-	-
2.7	Other	-	-
	Net Operating Cash Flows	**(462)**	**(462)**
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	(9)	(9)
	(c) investments- asset acquisition	(2,207)	(2,207)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	269	269
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Proceeds from underwriting	-	-
	Net investing cash flows	**(1,947)**	**(1,947)**
1.13	Total operating and investing cash flows (carried forward)	**(2,409)**	**(2,409)**

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	**(2,409)**	**(2,409)**
	Cash flows related to financing activities		
1.14	Proceeds from placement	2,800	2,800
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	(171)	(171)
	Net financing cash flows	**2,629**	**2,629**
	Net increase (decrease) in cash held	**220**	**220**
1.20	Cash at beginning of quarter/year to date	60	60
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**280**	**280**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1	Aggregate amount of payments to the parties included in item 1.2	55
1	Aggregate amount of loans to the parties included in item 1.10	Nil

1 Explanation necessary for an understanding of the transactions

Payments of Directors Fees and Remuneration	40
Payments to Director Related Companies	15

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	-
3.2	Credit standby arrangements	Nil	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	20
4.2	Development	-
4.3	Production	-
4.4	Administration	60
	Total	**80**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	280	60
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other – Term Deposit	-	-
	Total: cash at end of quarter (item 1.22)	280	60

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil	None		
6.2	Interests in mining tenements acquired or increased	Nil	None		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	Nil			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3	**+Ordinary securities**	78,616,114	78,616,114		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	47,111,111 Nil	47,111,111	$0.09	$0.09
7.5	**+Convertible debt securities** *(description)*	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil			
7.7	**Options** *(description and conversion factor)*	Nil	Nil		
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	**Debentures** *(totals only)*	Nil	Nil		
7.12	**Unsecured notes** *(totals only)*	Nil	Nil		
	Performance Based Shares	Nil	Nil		
	Changes during quarter (a) Increases	Nil	Nil		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

GREG BANDY
Managing Director
29 October 2010

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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